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Direct Loan Programmatic Primer

Craig Rorie: Hello, everyone, and welcome to our live training session today. Our session today is Direct Loan Programmatic Primer. My name is Craig Rorie. I'm a training officer with Federal Student Aid in Philadelphia. Also joining me on the line today is Virginia Hagins, who is a training officer with Federal Student Aid in San Francisco, and also joining us as our question manager is Michelle Saigh, also with Federal Student Aid.

Today we're going to cover the basic concepts on how the Direct Loan program works. This is part of our Direct Loan training suite, consisting of six sessions. These are intended -- they will provide you with what we believe is an easy transition over to our Direct Loan program.

Other Direct Loan sessions will be offered throughout the week. We'll offer the entire training suite session. It is six sessions throughout the week. We've already concluded the Direct Loan systems primer this morning, and scheduled for the rest of the week. Tomorrow we have Direct Loan Reconciliation, Direct Loan Processing and COD for New Participants. On Thursday, Direct Loan Reports and Direct Loan Tools, and if you're interested in joining those, if you go on to IFAP to the training announcement you can register for those webinars. We have plenty of availability for you, so we look forward to you joining us on those as well.

As I said, my name is Craig Rorie and I'm a training officer with Federal Student Aid in Philadelphia. Before we get started, let's go over a few administrative issues. Because of our large audience today it's not possible to allow you to ask questions over the line. However, you may type in your questions and submit them electronically. You should see a box where you can ask your question -- excuse me, type in your question and submit it and Michelle will answer your question.

If we have time at the conclusion of the webinar, if there are any questions of general interest to the audience, Michelle will share those with us. You also should see at the bottom of your screen there should be a tab or a button where you can click on that and that will allow you to download the slides. It's a PDF form, so you can print them and download them to your computer as well.

And with that, we're going to get started. Our agenda today is to first provide you with an overview of the Direct Loan program. That will include Direct Loan basic information and the roles and responsibilities associated with schools and with federal student aid. We'll also cover the Direct Loan processing cycle, including origination, disbursement, master prom note usage and servicing. We will then continue on to discuss information pertaining to schools and borrower services. Also, you'll find at the end of our presentation a wealth of resources available to you to help you further understand the Direct Loan program.

The formal name of the program is the William D. Ford Federal Direct Loan Program. However, you will more frequently hear it referred to as the Direct Loan Program or Direct Loan or Direct Loans. Throughout this session we'll use both or more of these commonly used terms when discussing the program.

Under the Direct Loan Program, federal student aid supports schools in a number of ways, as indicated on this slide. Federal student aid, which is within the Department of Education, manages the Direct Loan Program and the Department assists schools with processing, funding and reconciliation. We also provide most of the written guidance to schools on the administration of the Direct Loan Program.

Since we, the Department, serve as the lender under Direct Loans, the Department also handles all aspects of the Program, including operational system and service support to borrowers. This means we're responsible for credit checks, credit appeals and endorser processing; maintaining student accounts; processing payments, deferments, forbearances; and assisting schools with their default prevention practices. We also provide such things as online repayment calculators, online servicing and electronic payment set up for borrowers' convenience. Should students have questions pertaining to their loans and want to speak to a person, they can call us at their customer service line provided in their quarterly statement.

The next slides will discuss some of the steps we're taking to ensure that we meet our responsibilities in Direct Loans and in helping schools continue their transition over to the Program.

This slide lists a few of the ongoing preparation activities that Federal Student Aid is undertaking with Direct Loans. I'd like to point out we have a dedicated team of people who are helping schools throughout their transition through the process to Direct Loan. Information will be provided later in this presentation on how to contact that team.

FSA has customer service centers and staff. We have increased and trained more staff. We are monitoring the income and volume of schools coming into the system as well as the incoming volume of loans, and we have a dedicated on-boarding team that works specifically with schools. These are Federal Student Aid employees who will work with schools in helping them transition to Direct Loans. They're there as a resource to help talk to you about processing matters such as any questions you might have about your software system or how COD works, that sort of thing.

As part of our on-boarding efforts, our on-boarding team has sub-teams that are designed for targeted support for graduate and professional schools, small schools, career colleges, community colleges, HBCUs, Hispanic-serving institutions and tribally-controlled colleges, as well as with foreign schools and Pacific Island schools. We have identified that these groups need some specific teams to work just with them because of their unique situations, and we put those teams in place to assist those schools.

FSA has generated Direct Loan school codes. We generated these for all main campus institutions that had Direct Loan eligibility on their PPA. TG mailboxes, many schools, we flag those so the schools will be able to send and receive Direct Loan data as well as receive the Direct Loan servicing system delinquency report.

FSA has acted preemptively in any case where we can to prepare incoming schools for Direct Loans. Some of the things that you as a school need to do if you have not done these already, and most schools have done this, because we're into the processing year -- these are a list of resources that are here to help you. The COD support e-mail address that puts you in contact with the COD school services and Direct Loan enrollment address is a direct link to our dedicated on-boarding team.

It's important to send an e-mail to complete the setup to ensure that you have a smooth transition to Direct Loans, so if you have not started processing Direct Loans yet, you need to request that setup, you need to send something to the COD support, an e-mail to COD support and request participation.

If you have questions about enrollment or about your transition, if you go to the DLenrollment_FSA@ed.gov address shown here, that is our FSA on-boarding transition team and they will assist you with your questions there.

Lastly, to complete the setup information if you haven't done so, if you go to the Direct Loan website, www.direct.ed.gov/participating, that's where you'll get more information on how to complete the setup process if you haven't done that already.

The Direct Loan website also, that's http://www.direct.ed.gov , has a wealth of information for schools, students and parents regarding the program. It includes a list of publications available for order through FSAPubs that pertain to Direct Loans. You can kind of consider the Direct Loan website as a door to all other Direct Loan-related sites, so there's a lot of information here for both you as a school and also for your student borrowers and PLUS borrowers at the Direct Loan website. Again, that's http://www.direct.ed.gov

This slide lists some of the school responsibilities in Direct Loans. As a school in Direct Loan, you must have a system in place that allows you to send and receive Direct Loan data to and from Federal Student Aid. That system can be vendor-purchased software, it can be homegrown or home written, can be software you develop at your school so you can send information directly to Direct Loans, or to COD rather.

Schools are responsible for receiving and delivering loan funds in accordance with cash management requirements as set forth in 34 CFR 668. The cash management requirements in Direct Loans, just about all the requirements in Direct Loans are virtually the same, the rules and regulations, as they were in FFEL.

The up-front interest rebate in Direct Loans, that puts more money in the hands of borrowers immediately at disbursement when it is needed most. At the end of this

presentation is a reference chart that gives you more information about this up-front rebate.

Finally, schools must account for funds that they receive -- actually, I am just way off, I think. Sorry, I was a slide ahead. Let me go back and -- I was looking at my notes, not the slide. So let me go back and back up and not confuse you.

Under the Direct Loan program the roles and responsible for the schools, they are similar to what they were in FFEL. Schools determine and certify eligibility with the lender in FFEL. In the case of Direct Loan, the lender is the U.S. Department of Education rather than a commercial bank. Both are Title IV Federal Student Loan programs; obviously, the FFEL program was a Title IV student loan program.

The cash management rules that applied to FFEL also apply to Direct Loan. The PLUS credit check criteria is virtually the same; however, banks and commercial lenders could be more strict and look at income-to-debt ratio and other data, whereas Direct Loan does not because of the regulations. Both programs use master prom notes. The master prom notes for FFEL and Direct Loans are slightly different, because the terms and conditions of the loans are slightly different. However, the rules around the use of a master prom note are virtually the same. Entrance and exit counseling is required for borrowers in both programs in Direct Loans now, as it was in FFEL, and that is the school responsibility.

This slide lists, again, some of the responsibilities in Direct Loan. As a school, you must have a system in place that allows you to send, as I said, and receive Direct Loan data to and from FSA. That can be vendor-purchased hardware, it can be software that you as a school develop yourself. You can use third-party servicers if you choose so. Also, EDExpress, which is a free software the department provides to you, you can download that and use that as well.

Again, schools are responsible for receiving and delivering loan funds in Direct Loan in accordance with cash management requirements, as set up in 34CFR668. With Direct Loan, there's an origination fee and an up-front interest rebate that is immediately a part of that loan, and if all the requirements are met of payment then you keep that up-front -- the borrower keeps that up-front interest rebate.

Schools in Direct Loan, they must account for funds received from G5 system, and G5 is our funding system. They account for these funds by submitting actual disbursement records to COD. We'll talk about that in a little more detail later. Also, schools are responsible monthly to reconcile their Direct Loan records, and we'll discuss that also as we go on in the webinar.

Direct Loan has all of the student features you know and expect, like loan deferment and forbearance for borrowers who meet one of the several eligibility criteria. Two benefits unique to the Direct Loan program are the public service loan forgiveness and the no accrual of benefit for active duty service members. So these are just particular to Direct

Loans that were not a part of FFEL. The public service forgiveness forgives remaining balance on certain loans after 120 on-time repayments, and then no accrual of interest benefit for active duty service members can be up to 60 months for Direct Loan borrowers who are serving in areas of hostilities.

Direct Loan borrowers have several repayment options to choose from. They are for the most part the same as those that you were familiar with for all Stafford loans for FFEL. However, there are two that you may not be familiar with, and that is the income-based repayment, or IBR, and the income contingent repayment, or ICR.

The income-based repayment plan, IBR, is the new repayment plan available to student borrowers who demonstrate a partial financial hardship. Direct Loan PLUS and Direct Loan consolidation loans that are repaid by Direct PLUS Loans or FFEL parent PLUS loans may not be repaid under IBR. The monthly payment schedule for IBR is calculated using the student's income and the Health and Human Services poverty line data. Any unpaid portion remaining on a loan after 25 years is forgiven; however, the borrower may have to pay income tax on that forgiven amount.

The income contingent repayment plan, or ICR, is unique to Direct Loan. It is similar to the income-sensitive repayment plan that you may have been aware of under FFEL.

Now let's talk about how the Direct Loan program works. This slide shows the basic steps in the Direct Loan processing cycle -- originate, disburse and service. During the originate and disburse portions, schools primarily interface with two of our systems -- the Common Origination and Disbursement system, also known as COD, and G5. Schools interact with the Direct Loan servicers during the service portion of the cycle.

On this screen, entitled Direct Loan processing, this flow depicts the interaction between three of the primary players of the process we are discussing today. Generally, the financial aid office is responsible for ensuring data is reported and accurate within COD and the business office is responsible for initiating payment requests and returning funds through G5. It's very important that the two offices -- the business office and the financial aid office -- communicate and work together to ensure that funds are disbursed to the correct student or parent borrower and that the loan records within COD are reported and are accurate.

We strongly recommend that the two offices, again, work closely together in preparing for the transition to Direct Loan and also in monthly reconciliation. Federal Student Aid has offered Direct Loan-specific business officer training in the spring of this year. A recorded version of that training is now available via IFAP. Please refer to Dear Colleague letter ANN-10-32. Again, if you'd like to obtain and download a recording of the Direct Loan business officer's training, that is Dear Colleague letter ANN-10-32.

In addition to the business officer training, it's important for both the business office and the financial aid office to attend Direct Loan Reconciliation training. Again, these two entities will work together closely to reconcile Direct Loans.

Moving on, COD and G5 communicate with each other to ensure that the school has enough funds available to disburse to their borrowers and to monitor the money disbursed to schools in relation to the funds reported as disbursed to the borrowers.

Moving on to COD, the Common Origination and Disbursement system, or COD, is a person-centric system. In other words, a person exists once in the system and many awards, be they grants or loans, with many disbursements, may be associated with that person. A person can be a student or a parent. School supply student-specific award and disbursement data -- we often refer to this as an origination and disbursement processing. COD returns a response, also known as an acknowledgement, to the school, indicating whether the data was accepted or rejected.

If rejected, the response tells you why it was rejected and it will use specific reject codes. It's very important that schools resolve rejected records regularly. The COD technical reference, which is available at www.fsadownload.ed.gov provides information on these rejected records -- these reject codes and how to process or how to correct them.

Next we'll talk a little bit about submitting records to COD. Schools primarily send and receive data through a common record document, also known as a batch. It can contain multiple awards and multiple disbursements for one or multiple students. It may even contain data for multiple schools in the case of a third-party servicer who services many different schools.

All documents are submitted via the student aid Internet gateway, or SAIG -- as a store and forward communication system. The school transmits its data to SAIG through their mailbox in SAIG, COD sweeps the mailboxes every 15 minutes, pulling in the data to process. COD will place a receipt in a school's mailbox telling the school that COD has picked up the document. Once processed, COD puts a response batch back in the school's mailbox for retrieval. Processing time from pickup to response delivery is typically no longer than overnight. Again, the response tells the school whether the records were accepted or rejected. If rejected, it also tells the school why it was rejected.

Schools may go directly to the COD website also to enter data. The COD website is designed to accommodate record submissions on an exception basis. For more detailed information on the uses of systems in Direct Loans, we encourage you to register for the Direct Loan Systems Primer as well as tomorrow's Direct Loan Processing and COD for New Participants. That Direct Loan and COD for New Participants will provide information specifically just on COD and Direct Loan processing there.

In case you have missed the systems primer and you would like to participate or you would like to access that, if you go back into the IFAP announcement where you registered for this webinar and click on any of one of the past systems primers and register for that, you'll get an e-mail immediately and you'll have access to the recorded version of the webinar. So if you missed it, it's still out there for you.

Next, we're going to talk about G5. G5 is the system that allows schools to request funds to be sent to their bank account for disbursement to Direct Loan borrowers. It is also where you return unused funds to the department in compliance with applicable cash management regulations.

Again, this is another part of our Direct Loan processing. The flow on this screen depicts the interaction between the additional players of the process that we are discussing today. Once a loan has at least one accepted actual disbursement and COD sends the loan's borrower to the Direct Loan servicer. Direct Loan uses several servicers, but only one per borrower. The Direct Loan servicers work with both schools and borrowers in performing the role that lenders and guarantors fulfilled in FFEL. We'll discuss Direct Loan servicing in more detail later, but first let's take a look at the Direct Loan processing cycle in more detail, and with that, I will hand it over to Virginia.

Virginia Hagins: Thank you, Craig. As we take a look at the Direct Loan processing cycle for our presentation, we're going to show the first step as origination. Direct Loan school participants are responsible for originating loans using the same process as in the Pell Grant Program. In both cases, schools collect and provide data that shows borrowers are eligible to receive funding.

Direct Loan school participants originate loans, which is comparable to certifying loans, as was done in FFEL. The FAFSA is used as the application for direct subsidized and unsubsidized loans, and schools use information that was received in the ISIR. The school is responsible for gathering the PLUS data for origination.

Person data, Direct Loan award and disbursement data in the common record combine to create the Direct Loan Origination Record, or LOR. The loan origination record contains the loan amount approved and disbursements totaling that loan amount. Most software packages utilize disbursement profiles for groups of students to support this functionality. The disbursements may be any combination of actual or anticipated disbursements. Anticipated disbursements are sent before the loan is actually disbursed and will reflect the dates that your school expects to disburse a loan. Actual disbursements are used to report the date and the amount that was paid to the borrower.

It's important to note that when a school initially submits Direct Loan award and disbursement data for a person to COD, the school is sending a loan origination record, the LOR. The school can submit the loan origination record with anticipated disbursements only well in advance of the actual disbursement date.

Whether the loan origination is transmitted via the common record batch submission or online, COD sends responses to each record submission. The response provides schools with edit codes for rejected elements, telling them what was incorrect. It's important to correct the records and resubmit them on a regular basis to ensure your school records and our COD records are in sync. Doing so will save time for you later.

In its response back to the loan origination record, COD will also tell you whether or not there is a valid MPN on file for the loan submitted, and in the case of PLUS loans, the status of the credit decision. If there is a valid master promissory note on file at the time the origination record is submitted, in most cases the MPN information will be included on the loan origination record response. However, schools will also receive COD system-generated responses. MPN responses are generated by COD and sent to all schools associated with an MPN. A school is associated with an MPN when it has a loan linked to that MPN and/or it is the school specified on the MPN. Linked MPNs are those with valid data and a corresponding accepted origination record. Pending MPNs indicate COD has not yet received an origination record for the student or the borrower.

MPN responses are generated when COD accepts an MPN and there are no existing awards, or COD accepts an award and the MPN exists, so the award and MPN link, or the MPN expiration date changes, such as those produced by the acceptance of an actual disbursement within a year of COD's receiving that MPN, or when a loan associated with that MPN has been discharged due to death or other reasons.

Now, the PLUS process is very similar to the direct subsidized and direct unsubsidized origination process except for the additional step of a credit check. Since the Direct PLUS Loan process is slightly different than what you may have been used to in the past under FFEL, we're going to take a moment to discuss credit checks. You should note that the department is responsible for the credit check and the costs associated with it. A credit check can be initiated by a PLUS applicant by filling out the PLUS application on studentloans.gov or by the COD system upon receipt of the PLUS origination data as well as by the school online via the COD website.

It's important to remember that there must either be a valid MPN on file at COD or at your school for that borrower, or your school must obtain another form of written authorization before submitting a PLUS origination record to COD or requesting a credit check manually via the COD website. The COD website has a credit check authorization form available for your use in cases where your school needs to request the credit check before the borrower signs an MPN. During the PLUS application process on studentloans.gov, borrowers consent to and initiate their own credit checks.

Within a few hours of receiving a Direct PLUS Loan origination, COD will notify the school of the results of the applicant's credit check in the response to the origination record. COD also notifies the applicant of the results of the credit check. If the applicant failed the credit check, the notification will include directions for appealing the decision or obtaining an endorser, and includes an endorser addendum. The credit check results are returned to the applicant immediately if they utilize the PLUS request process on studentloans.gov.

A school can disburse if they hold a completed MPN and the borrower passed the credit check; however, COD will not accept any actual disbursement data without an accepted MPN and approved credit decision on the system for the loan. In those cases, the liability

for the loan remains with the school until COD receives and accepts the MPN and actual disbursement record.

In cases where the credit decision is delayed and not returned in the origination response, a system-generated response will be sent to the school once the credit decision is made. In these cases, the origination response will indicate that the credit decision is pending.

Credit decisions are good for 90 days and are associated with the origination record that initiated the credit check or any origination record received within the 90-day time frame on an online credit check. Once an origination record is tied to an approved credit decision and there is an MPN, the loan may be disbursed. It's important to remember that if a credit check is initiated online and approved, you must submit that origination record within 90 days or a new credit check will be done upon receipt of the origination record, which may or may not be approved.

Now, if the applicant has an adverse credit history and the credit decision was initiated via an LOR, loan origination record, COD will notify the school electronically via the origination response as well as notify the applicant by letter that he or she is not eligible for a Direct PLUS Loan because of adverse credit history. The letter includes an endorser addendum and a new MPN. COD will also notify the school of the credit decision if completed online by the PLUS applicant.

Now, the letter tells the applicant which national credit bureau reported the adverse information, explains why the applicant was rejected, and offers the applicant several options. The applicant can opt to take no further actions -- in other words, stop the Direct PLUS Loan application process. The applicant can contain an endorser who does not have an adverse credit history and submit a Direct Loan application promissory note. The endorser, who cannot be the dependent student for whom an applicant is trying to borrow, must agree to repay the loan of the applicant doesn't.

Finally, if the applicant believes the adverse credit history is correct, but that there are extenuating circumstances or believes the adverse credit is incorrect, he or she may appeal via COD's applicant services call center. The applicant is told to inform the school regarding whether or not the applicant intends to pursue the loan. If the applicant chooses to appeal or obtain an endorser and the origination is at COD, the school simply waits until that process is complete. If the applicant chooses not to pursue the PLUS loan, the school may inform the applicant of their options, or in the case of dependent undergraduates, offer an additional unsubsidized loan to the student.

The applicant will also receive a letter for online credit checks that were initiated by the school; however, the endorser addendum and MPN are not included. If the credit check was completed online by the school and the borrower wishes to pursue the loan, the origination record must be submitted so the appropriate documents can be mailed to the borrower.

If the prospective borrower can locate someone who is able to endorse the loan, the endorser completes and signs the endorser addendum. This obligates the endorser to repay the loan if the borrower does not. The prospective borrower then returns the paper endorser addendum to the MPN processor. The endorser will also go through a credit check to ensure that he or she does not have an adverse credit history. Once the endorser has been approved, COD sends a response to the school indicating that the loan is approved. The endorser may choose to endorse the entire loan or a lesser amount. Therefore, the response from COD will include the endorsed amount. The school cannot disburse more than the amount the endorser has agreed to repay.

If the loan is approved because of an endorser addendum the MPN associated with the loan cannot be used to borrow multiple loans, and it's referred to as a single loan MPN. If there is an MPN that was used to make an earlier loan, the applicant will be required to complete a new MPN for the current loan. Remember the new MPN is included with the denial letter.

The parent or graduate professional student will need also to submit a new PLUS MPN the next year if they want another loan, and if the credit check again indicates an adverse credit history, the borrower will again need to get an endorser.

Now, back in March, Direct Loans introduced a new, comprehensive borrower website -- studentloans.gov -- which, among other features, allows borrowers to request a PLUS loan online. As part of this process applicants provide information that is needed to create the origination record, and they can also initiate a credit check. The use of studentloans.gov is a school option and can be used to confirm that a borrower wants to receive a direct PLUS award and the amount they would like to receive.

The last step of the four-step direct PLUS application or request is the consent to a credit check with the results of that credit check being returned immediately. If approved, the credit check is good for 90 days and the school selected by the borrower is notified. The application response contains some of the data needed to create a loan origination record. If an origination record is not received within 90 days of the credit check, a new credit check will be run upon receipt of the origination.

Now if the credit check results in adverse credit, the borrower is presented with their options and allowed to choose whether they want to obtain an endorser, appeal proof of extenuating circumstances, not pursue the PLUS loan or are undecided. Once the borrower selects an option, they will be given the tools they need to pursue that option and the schools selected during the application process are notified and told the intent of the borrower. If the borrower chooses to obtain an endorser or appeal the decision, the school may originate the loan.

Studentloans.gov also enables endorsers to complete an electronic endorser addendum online. Endorsers who choose to use studentloans.gov to complete the endorser addendum online will need a PIN to sign on to the site. Endorsers will also need either a loan reference number, provided to the borrower via e-mail when the credit check reveals

an adverse credit history, or the loan ID, which is created when the school originates the loan.

Now, if you'll recall, we're showing origination as the first step in the Direct Loan processing cycle. At some schools, however, student completion of the MPN may precede school origination activity. The sequence -- origination first or MPN first -- is a school choice. The master prom note, or MPN, paper or electronic, is the borrower's promise to repay the loan. By using electronic promissory notes your office will be virtually paperless.

Direct Loan master promissory notes remain in an active status to use in making additional loans for 10 years from the date of receipt at COD, provided there is actual disbursement activity on a loan associated with the MPN within the first 12 months of receipt by the department. Each year a school must ensure that a borrower completes a new master promissory note or if there is an active MPN in COD, to which the school may link the award. Obviously, the school needs to guide new first-year students to completion of new MPNs. For continuing students, however, the school has the choice to either require completion of a new MPN each year or use the multi-feature of the MPN. The multi-year feature is usually the most expeditious process for schools and borrowers.

The MPN can be used for multiple loans, for multiple years, regardless of whether the schools choose the single-year option or the multi-year option. For example, if borrower A completes the MPN while attending a school that requires a new MPN each year but then transfers to a school using the multi-year process, borrower A will not need to complete a new MPN at their new school.

Direct Loan requires the use of a confirmation process. Confirmation for subsidized and unsubsidized loans is required in a subsequent academic year and it can be either affirmative or not. Affirmative confirmation is required for PLUS loans. With affirmative confirmation, the school does not disburse until the borrower has taken action to actively request the loan amount or to respond to a loan offer by accepting or altering the offered amount. By completing the PLUS application process on studentloans.gov, a PLUS borrower is completing affirmative conformation.

Now, if the school does not use affirmative confirmation, the school does not disburse until the student is notified of an award and is given time to reject or reduce the offered amount. The borrower needs to take action only if desiring to decline or adjust the offer. Many schools use the award letter to initiate this process at their school.

The school also has an additional option of utilizing an electronic or paper MPN. Currently, most schools use the eMPN process, just because of its efficiency. You should take a look at the Direct Loan school guide that's available on direct.ed.gov under Financial Aid Professionals, Publications, Publications for Financial Aid Professionals, for more information about your options.

Student and parent borrowers complete their eMPN on the studentloans.gov website. At the COD website options page, you will find school eMPN options. Setting up these school options is straightforward. Schools can choose whether or not to participate in the eMPN process. The LOR, loan origination record, Required option determines when the eMPN can be completed in relation to loan origination. Now, if you set this to Y on the COD website, the school must originate the loan before the borrower can complete the eMPN.

Some things to consider -- your school receives MPN responses only for students you wish to receive them from. The borrowers lose convenience. For PLUS, a separate credit authorization will have to be obtained unless this is completed by the borrower through the PLUS application process on studentloans.gov.

The borrower doesn't have to wait for the school to originate the loan to complete an MPN if you set this to Y on the COD website page. Things you need to consider if you do set it to N: You get an MPN response to [No] MPN is on file, but it won't be linked to the origination record yet.

You have a final option of adding a message. The school can create a specific message that will be sent to the borrower if the borrower provides their e-mail address during the eMPN process. The message will be sent once the eMPN is completed.

Now, schools can also update the way their name is displayed in the eMPN drop-down box on studentloans.gov by modifying it on the COD options page. You should note that borrowers may choose to sign a paper MPN even if most borrowers at your school use the eMPN process.

Therefore, you must have a paper option available. You can provide a copy of the MPN with data labels available through FSAPubs to the borrower to complete by hand. You will need to have completed the school portion for the borrower or you may request that COD print and mail them to the borrower or to you. Print requests can be made either through a common record submission or online via the COD website.

Schools choosing to use paper for some or all of their borrowers may choose to print paper MPNs using an MPN form available from FSAPubs.org or using school software to print a complete MPN, including borrower data and all legal language. Schools that choose this particular option must contact COD school relations and have their MPNs approved prior to use.

Schools that print and collect eMPNs for their students submit those MPNs to the processor batched in groups of not more than 100 with hard copy or paper manifests listing borrower names and MPN ID numbers for each MPN in the batch. Now, as a side note, sub-unsub notes are batched separately from PLUS MPNs.

Each MPN is imaged and the MPN data is submitted to the COD system. The processor will return paper MPNs which are missing items or contain mistakes to whoever sent the

MPN -- the borrower or the school. Typically, corrections can be made on the MPNs, but sometimes the school may need to reprint the MPN.

Through the MPN multi-year feature, new loan awards are linked in COD to active MPNs. An active MPN will be identified by the word "active" on the display --

Craig Rorie: Virginia?

Virginia Hagins: Yes?

Craig Rorie: Excuse me, this is Craig. Could you go over the last slide? Your phone broke up a little bit and you didn't come out completely clear.

Virginia Hagins: Sure.

Craig Rorie: Thank you.

Virginia Hagins: Which -- number 29?

Craig Rorie: Yes.

Virginia Hagins: Okay.

Craig Rorie: Thank you.

Virginia Hagins: Hold on, let me get back to it then. Okay.

If you're a school and you choose to use paper for some or all of your borrowers, you can actually choose to print your paper MPNs. You can use an MPN form that's available from FSAPubs.org or using your school software and print in complete MPN and print in complete MPN, including the borrower data and all legal language.

If you choose this option you must contact COD school relations and have your MPN approved prior to use. Schools that print and collect the MPNs for their students submit those MPNs to the processor batched in groups of not more than 100, with hard copy manifests that list the borrower names and the MPN ID numbers for every MPN in that batch.

As you can see on the slide, sub and unsub notes are batched. As you can see on the slide, sub and unsub notes are batched separately from PLUS MPNs. The MPN processor will review all the paper MPNs, whether submitted directly from borrowers or batched from schools to ensure they are properly completed and signed to create legally binding documents.

For properly completed MPNs, each MPN is imaged and the MPN data is then submitted to COD. Now, the processor is going to return any paper MPNs which happen to be

missing items or contain mistakes to whoever sent the MPN, the borrower or the school. Typically, corrections can be made on the MPNs, but sometimes the school may need to reprint that MPN.

Through the MPN multi-year feature, new loan awards are linked in COD to active MPNs. If one MPN is active, COD links to the one with the greatest expiration date. The linking is done via person identifier information in COD based on the SSN, date of birth and first two characters of the first name if present, or the first two characters of the last name if there is no first name.

Now, schools have to ensure that entrance and exit counseling is conducted and received. Loan counseling may be conducted through several different mediums, such as in-person, audio-visual, as well as online. Schools must have someone with expertise in the loan programs available shortly after the counseling session to answer any questions.

The Direct Loan program also provides counseling materials to schools to supplement either online or in-person counseling. These include comprehensive entrance and exit counseling guides as well as a counseling video. You can find this information and more at FSApubs.gov or at the Direct Loan website, direct.ed.gov.

Regardless of the counseling method your school uses, you must document that the student participated in and completed entrance and exit counseling. I'd also like to point out that those students who have completed entrance counseling under the FFEL program do not need to go through entrance counseling again as a Direct Loan borrower.

Schools are not required to use our materials with their students; however, you must ensure that the counseling received meets all regulatory and statutory requirements. Schools can choose to have their students complete entrance counseling at studentloans.gov. Material in this session is tailored to the borrower type selected during step one of the process.

For instance, if a borrower selects that he or she is a graduate student, they will receive additional materials specific to grad students during the counseling session. The COD system will receive and store Direct Loan entrance counseling data when counseling is completed on the studentloans.gov website.

Once a borrower completes the counseling session, the COD system will send an acknowledgement to all schools selected during the counseling session. A borrower may select up to three schools. If the borrower completed entrance counseling for loans they will receive as an undergraduate, the school will receive a DLS acknowledgement indicating that entrance counseling was completed for subsidized and unsubsidized loans.

If the school receives a DLP acknowledgement, it indicates that the borrower completed counseling for sub, unsub and PLUS loans. Now, online Direct Loan entrance counseling is not available in Spanish. However, from the studentloans.gov home page, a borrower can download a PDF document that does provide the counseling in Spanish. The

document includes a verification page that can be signed and submitted to the school to document the counseling.

A link to online exit counseling is available from the studentloans.gov homepage, which takes you to the NSLDS website, which you see here. Exit counseling is located at NSLDS student access site. Online exit counseling via NSLDS sessions presents borrower information based upon the types of loans the student has borrowed. A student with only Direct Loans will be presented Direct Loan information only. A student with only FFEL loans will be presented with FFEL information, and students with both will see information specific to both.

NSLDS will provide students with current loan data. Calculators for various repayment options will be provided as well as a link to the loan holder's site where available to facilitate communication. Now, this exit counseling will be available in both English and Spanish. There is no requirement to use online exit counseling or entrance counseling at studentloans.gov or the online exit counseling at NSLDS. Schools have the flexibility to utilize whatever counseling suits the need of them and their borrowers. You are required to ensure that the counseling they use meets all regulatory requirements, and the counseling provided by the department meets all regulatory requirements. Again, there is a link from the studentloans.gov website to the NSLDS website for exit counseling.

At this point I am going to pass this back over to Craig.

Craig Rorie: Thank you, Virginia. So, as you can imagine, next we're going to talk about disbursement in Direct Loans. At this point and get to the disbursement part of the Direct Loan processing cycle, our student has filed a FAFSA, the school has determined eligibility, the student has been awarded or packaged a Direct Loan or the student, whether the student has signed a master prom note or if it's a PLUS loan, the parent or the grad PLUS student has signed a prom note, and the school has originated and sent the loan to COD.

That brings us to where we are now, and that's disbursement. Unlike FFEL and Direct Loan, funds received by schools are not borrower-specific and they may be disbursed to any borrower ready to receive a disbursement. Therefore, in Direct Loan it's necessary for schools to tell us, tell the department, who has received the money by submitting an actual disbursement record.

All schools are required to have an accepted and linked promissory note on the COD system before actual disbursements will be accepted by COD. Loans and disbursements will not book until there is an accepted origination record and an accepted and linked promissory note. All three of those pieces -- an origination record, an MPN and an accepted disbursement -- are required for the loan to book.

When a loan or a disbursement books, the liability for that disbursement for the funds drawn down transfers from the school to the borrower. Disbursements must be reported to COD within 30 days of the disbursement date. That is not only a regulatory

requirement of the Direct Loan program, it is also a practice that is beneficial to you in managing your school's program, particularly when it comes to monthly reconciliation.

Your school must report both the actual disbursement date and the disbursement amount. The actual disbursement date that you report to COD is the date your school credits Direct Loan funds to a student's account or cuts the borrower a check for the funds or pays the borrower using EFT, an electronic funds transfer. The actual disbursement date you report the COD is important because several regulatory requirements are based on that date, including interest calculations and the borrower's right to cancel.

Schools also receive a 30-day warning report, which contains a listing of unbooked loans from which COD has not received elements required for booking. Although this report is called a warning, what it actually is is just another tool, another report that enables schools to track possible unbooked loans. The report also lists master prom notes received by COD that do not have an accepted origination record.

Schools should monitor this report and investigate loans it identifies to ensure that the loans book in a timely manner. All booking items must be received within 30 days of the initial actual disbursement date or the 30-day reporting requirement may not be met. This report is sent to the school's SAIG mailbox on a monthly basis if there is data for that given month.

The report can also be viewed on the COD website under services, menu, COD reports, and the school's news box. It's important to understand unlike FFEL, funds received under the Direct Loan program are not student-specific. For example, if a school believes that Sarah's loan will be ready for disbursement on Friday, however, on Friday Sarah's loan is not ready for disbursement, but Sam's is, the school may disburse the money originally intended for Sarah to Sam. Therefore, it's very important that you report disbursement information accurately.

Schools are required to notify borrowers of the following -- anticipated date in a mail-in disbursement, the right to cancel all or a portion of their loan and have loan proceeds returned, the procedures and time by which the borrower must notify the school that they want to cancel the disbursement. This notification must be done no more than 30 days before and not later than 30 days after disbursement if the school uses affirmative conformation, and no more than 30 days before and not later than seven days after disbursement if the school does not use affirmative confirmation.

Schools must honor the request of a borrower to cancel all or a portion of the disbursement if the request is received within the following time frames. If the school uses affirmative confirmation, the latter of the first day of the payment period or 14 days after the date the school notifies the borrower of their right to cancel. If the school does not use affirmative confirmation, within 30 days of the school notifies the borrower of the right to cancel. Remember, affirmative confirmation is the process under which a school obtains written confirmation of the types and amounts of FFA program loans that

students want for the award year before the school credits the student's account with those loan funds.

To cancel all of a loan, you would reduce the entire loan amount to zero, as indicated here on this slide. You may also cancel a portion of the loan by submitting reduced loan disbursement amounts. So in COD, you would not -- there's no way to go in and just cancel a loan, so what you do is you, if you want to cancel the entire loan, you bring the loan, you reduce the loan amount to zero. In addition, any monies, funds that need to be returned to the Department due to reducing a loan, canceling disbursement, they must be returned to G5 and you're going to notate that, you're going to make a note of that or you're going to update your record in COD to show you've done that.

If a borrower brings funds back to you more than 120 days after the date of disbursement and says they don't need the funds anymore, you may do one of two things. You can tell the borrower they need to send the payment to their servicer, or you can agree to return the funds on the borrower's behalf. Please remember that in this example, you aren't required to return the funds on the borrower's behalf because it is outside the regulatory time frames that we talked about on the previous slide. If you agree to send the money back on their behalf, and more than 120 days have passed since the disbursement, you must send the funds to the servicer as a payment. You do not update the student's disbursement information in COD to reflect that funds are being returned as a payment on the loan. The money must be sent to the Direct Loan servicer as a payment to the student's loan, and this shows the current servicer's address. So again, after 120 days has passed, if the borrower decides they don't want the funds anymore, you can at your option, you can return those funds for them or you can have them make a payment to the servicer.

Moving on, we're going to talk a little bit about funds now and funding. Funding is how schools get their money. All schools that came into the Direct Loan program or that come into it are signed a current funding level, or CFL. School CFLs are large enough to support a school's loans based on its loan volume from the previous year. Schools should never run out of funds, as their CFL is monitored by the department and is increased as needed to meet the school's funding needs. Should you ever need to increase your CFL, you would have to contact COD.

Schools draw down funds to disbursed loans using the G5 system. That's the department's system for delivering Title IV funds. Whereas you may have used FFEL funds coming in from a lender, and they are borrower-specific, again, these Direct Loan funds are not borrower-specific until the school disburses the money to a student and reports the disbursement to COD.

For example, again, if on Monday you drew down funds for let's say Michelle's loan and on Tuesday for some reason, Michelle was not -- her loan was not ready for disbursement, but on Tuesday you have this money and these funds are -- Virginia's loan is eligible for disbursement, you could use those funds, as much or as little as applicable, to disburse on Virginia's loan.

This kind of -- borrowers not being loan-specific allows you much more flexibility in Direct Loan than you may have had in FFEL, as far as disbursing loans. It's important to note that Title IV cash management regulations apply to these funds. The Department considers excess cash to be any amount of FSA program funds other than federal Perkins Loan Program funds that a school has not disbursed to students or parents by the end of the third business day following the date the school received the funds or deposited or transferred them to its account.

So you will find that you're in excess cash again if you have not disbursed the funds to the student or parents, that's a PLUS loan, by the end of the third business day following the date the school received the funds or deposited or transferred them to its federal funds account. Previously disbursed Title IV funds received from the Department, such as those resulting from awards, adjustments, recoveries or cancellations are also included. There are penalties for holding excess cash, as you probably are all aware of. For more details to the excess cash and to exceptions, you want to refer to the Federal Student Aid Handbook volume four.

As I mentioned earlier, all schools participating in the Direct Loan program are given an initial current funding level, or CFL. The CFL is an amount calculated by the Department that determines the amount of funds that a school is authorized to draw down. The initial CFL is calculated at the beginning of the award year based on the percentage of the school's actual disbursements reported for the prior years. For those schools that have previously participated in FFEL and that this is their first year in Direct Loan, their CLF is based on the FFEL data from the previous year. The CFL will be increased throughout the award year based on the school's report and the actual disbursements to COD, and your CFL, current funding level, can be viewed on both COD and G5.

Additionally, all schools are assigned a funding method. A school's funding method designates how it will receive funds, whereas the CFL is how much funds the schools will be able to receive during the course of the year. All schools coming into Direct Loans are designated as advanced as their funding method, and this means the schools initiate their own drawdowns or funds by requesting them through G5. Bear in mind that you will be requesting funds to cover the net disbursement amounts that your students will be receiving after the origination fee has been deducted and the interest rebate has been added back in. Schools must request Direct Loan funds directly through the G5 payment system. Schools should time their submissions for Direct Loan funds in order to ensure that once they are received the funds will be disbursed within the three business days allowed under cash management regulations.

As we've mentioned several times, G5 is the electronic system used by the Department from which schools draw their Title IV funds. G5 sends the funds electronically to bank accounts that have been established by schools for this purpose. G5 communicates electronically with COD to establish funding levels for Direct Loan and other Title IV

programs. Through G5, schools can view the current funding information, return cash and request payments and adjust drawdowns.

All schools need to have banking information set up on G5. If they are new to the program, they're going to need to designate an established bank account in G5. Schools also need to contact G5 if they wish to add a new bank account or they have more than one bank account and they want to designate which one they will use. If the school already has one bank account set up for their grant awards and intends to use the same bank account for Direct Loans, they do not need to contact G5. Also, and remember, please, it's the responsibility of incoming schools to make certain that their banking information in G5 is correct, so if you're new to Direct Loans, you want to check that information and make sure it's correct.

After a school has requested funds from G5, they will receive those funds when the department's G5 system forwards a payment request to the Federal Reserve system. The Federal Reserve system will then wire their funds to the bank that a school has designated to receive those FSA funds. Schools can receive their funds by ACH, the automated clearinghouse, or through FEDWIRE. ACH payment requests made before 3:00 p.m. Eastern time are deposited the next business day. Requests made after 3:00 p.m. Eastern time are deposited within two business days. That's if you're using ACH. For FEDWIRE, any payment requests made before 2:00 p.m. Eastern time are deposited on the same day, and any requests made after 2:00 p.m. Eastern time are deposited on the next business day.

Direct Loan funds status can be tracked on the COD website as well as the G5 website. Individual notification of funding requests will vary depending on the policy of a school's chosen bank.

There are several situations where you may need to return Direct Loan funds to the G5 payment system electronically or by mail to the COD school relations center. The preferred method and the best practice for schools in returning funds is to use G5. Money returned to G5 immediately receives a confirmation number that the COD reconciliation specialist can track, and therefore the school is covered.

If you returned the funds by check, it's not as easily tracked and there is a risk, because it goes through the mail, that it could take weeks before the funds are properly credited. All Direct Loan funds that are not disbursed to students or parent borrowers within three business days after they are received from the Department or within additional seven calendar days in certain circumstances, these funds must be returned to the department in accordance with cash management regulations. Funds also may be returned if you have an overpayment of Direct Loan funds, again, in accordance with FSA regulation. Also, as I mentioned before, if a borrower wishes to cancel all or a portion of a loan within the allowable time frame, not to exceed 120 days from the date of disbursement, and there are no other borrowers who you can use these funds for, then those funds must be returned to the department.

When returning funds within 120 days of a disbursement date or on behalf of a borrower to comply with regulations, you have to follow a two-step process. First, you return the funds electronically through G5 -- that would be our preferred method -- or via a paper check to COD. Then you would submit a downward disbursement adjustment to COD.

Keeping in mind the previous slides and the reasons for schools returning funds to the department -- excess cash, overpayment, borrower's request within 120 days -- schools should return funds either electronically via the G5 website or by mail using a check. Again, G5 is preferred as it is the most efficient method to return the funds.

Refunds of cash, refunds greater than $100,000 must be returned electronically through G5. If returning funds via a paper check, a completed Direct Loan refund of cash form must be included and also note your school code loan numbers. Schools can use one form and one check for each award year and include multiple refunds for multiple loans. They just need to indicate the amount for each award or each loan. You also have to have the award year on the check itself. If you're returning funds for more than one school, you will need to send separate forms and a separate check for each school.

For more information on returning funds, see the electronic announcement dated July 23rd, 2010, entitled Updated Guidance on Making Direct Loan Refunds of Cash. Again, for more information on returning funds, that's electronic announcement from July 23rd, 2010, and the name of that announcement is Updated Guidance for Making Direct Loan Refunds of Cash.

With that, I'm going to turn it back over to Virginia.

Virginia Hagins: Thank you. We are going to be discussing the reconciliation process at this point. The Direct Loan regulations require that schools reconcile their records with the department on a monthly basis. The process itself is much like reconciling your checkbook each month, and we provide a Direct Loan school account statement or a SAS, for that purpose.

The SAS highlights monthly beginning cash balance, school cash activity in G5, disbursements, adjustments and ending cash balance. When you reconcile, you are comparing disbursement and drawdown transactions on your system with those recorded in COD to ensure that the two are in sync. The goal of reconciliation is to ensure that you are submitting disbursements supporting the Direct Loan money that you have received from COD as required and that you can account for any differences between COD and your school records.

As a part of this process, schools must reconcile their financial aid office records with those of their business office to ensure disbursements have been reported correctly. When school records differ from CODs, schools need to account for any differences between the records, such as taking into account timing differences and document what, if anything, that they did to resolve the discrepancies. Resolution may include returning

excess cash, drawing down additional funds and/or possibly submitting disbursement records to COD.

We're now going to discuss some different tools that are available to assist you in the reconciliation process. There are many aids and tools available to assist with reconciliation. First and foremost is the school account statement, the SAS, which I just mentioned. This is the Department's official record of the school's Direct Loan activity. A school reconciles its Direct Loan account by comparing the ending cash balance on the SAS with its internal records, ensuring that any discrepancies are resolved as well as documenting any reasons for a positive or negative balance.

The ending cash balance is the difference between the actual disbursement information that the school reported to COD and COD has accepted for individual borrowers compared to the net drawdown payments that the school has received from the G5 payment system as reported on the SAS.

In addition, you will find COD reports and screens helpful as well as Direct Loan Tools. Direct Loan Tools is free software that the Department provides that can be used by schools regardless of their processing system. Among its uses, Tools can format the SAS into an easy-to-use hard copy report and can be used to electronically compare a school's Direct Loan records to COD's records as reflected on the School Account Statement.

COD also has reconciliation specialists to assist schools if necessary. For more in-depth detail about reconciliation, Direct Loan Tools and some of the other COD reports and screens, you should consider attending Reconciliation, Direct Loan Tools, as well as Direct Loan Processing in COD for New Participants that are all a part of our Direct Loan suite of training. We strongly recommend that you document your reconciliation efforts to create an audit trail for audit purposes and to assist you with program year closeout, which is what we're going to be talking about next.

The Direct Loan processing deadline is published for each year, and it's set for 13 months after the end of an award year. For example, the Direct Loan processing deadline for loans associated with the 2009/10 award year will be July 31, 2011. This is due to borrower-based academic year processing needs. Schools with scheduled academic years should be able to finish their processing and complete their reconciliation much sooner than the deadline. The closeout process is complete when the school and COD, using the year-to-date School Account Statement, each show a cash balance of zero dollars, indicating that the school has accounted for all Direct Loan funds received from the department; and all COD transaction records match all Direct Loan transactions in your school's financial aid and business office systems; and all remaining unbooked disbursements have been booked or reduced to zero dollars, so that the SAS cash summary reflects zero total net unbooked disbursements.

Your school will need to confirm its zero dollar balance through the COD website to officially close out your award year. The closeout process is similar to monthly reconciliation in that the school's main purpose is to match the internal records to those in

the COD system. The Direct Loan program has a processing deadline for each award year, at which time all processing is stopped for that year.

Schools that faithfully complete their monthly reconciliation and resolve all the discrepancies are ready to stop processing within 30 to 120 days of their last loan period end date, and this results in closeout being a straightforward process.

Once processing ends for a year, a school can always reopen the year by contacting COD customer service if they find as a result of an audit there might be a need to send in more disbursements, disbursement adjustments or possibly even draw funds.

The Direct Loan program is mindful of its responsibility to borrowers when they go into repayment. Borrowers are able to fine-tune their repayment experience to serve their needs. For example, they can choose a repayment plan, their payment due date, as well as their method of payment. The Department of Education is responsible for the collection of Direct Loan as well as the delinquency and default management for those loans just as guaranty agencies and lenders were responsible for collections, delinquency and default management in the FFEL program.

In the next two slides, we're going to look at the innovative ways the department fulfills these responsibilities. Direct Loans utilizes five servicers responsible for customer service, collection and delinquency and default management. To ensure that the Department of Education can manage additional Direct Loan volumes as well as those loans that have been sold to the government, the Department entered into agreements with four servicers in addition to the servicer that was already used.

Now, these agreements are for servicing only. Origination and disbursement of all Direct Loans will be through the Common Origination and Disbursement system -- COD. The servicer that receives the loan will be displayed in COD on the award detail page and the students can view servicer information through NSLDS.

Now, schools will not be able to choose a servicer. However, we will make every effort to keep all of the borrowers' federally-held loans with the same servicer. If we distribute a person's loans to multiple servers by mistake, we do have the ability to move their loans to one servicer.

Servicers will use their own discretion in deciding to provide services or business functionality that might be recommended but is not required, and again, if we split a borrower's loans between two servicers, we will be able to move the loans to make the borrower whole.

Servicers may leverage all borrower repayment channels while maintaining existing branding, providing all federally held loans are clearly distinguished and identified and borrowers are directed to make payment directly to the department via a U.S. Treasury lockbox or electronic payment service.

Again, schools will work with all servicers. You will likely have different reporting from each servicer and you cannot designate a servicer. Schools will use NSLDS to determine which servicer has borrower's loans. NSLDS is developing a new report to assist schools in identifying which servicer has a borrower's loans. The servicer information is available to you on COD under the person menu.

And we have come to the end of our session. I would like to remind you before you check out if you please click on the link that I'm going to be bringing up next to complete the evaluation. Please remember that you can download these slides for future information as there are additional slides that we do not cover after the segment that we have just presented you.

Before I pass this over to Craig to see if there are any questions and answers that might be relevant to the entire group, there is one that I want to mention. A question was asked as to why schools might not use the multi-year MPN, and I wanted to add to that that while most schools now are participating using a multi-year MPN as opposed to a single year, in the past it has begun -- some schools wanted an additional reminder that the student or the borrower was actually borrowing the money and it was not a grant; that it did have to repay. So some schools chose to use single MPNs for just that purpose.

So, Craig, is there anything else that you want to add, any questions that may have been interesting?

Craig Rorie: I don't really see any. Most of them seem to me more specific to schools, the MPNs, which you just talked about, would be the one thing I would have mentioned. There aren't really any questions on general interest, but as Virginia said, if you will take the time to quickly -- we have a brief survey and we would appreciate it if you would fill that out. That's how we learn from the community and what training we need to do, and how we've done today.

Also, just to reiterate, there are more Direct Loan webinars this week -- Reconciliation, COD Processing, Direct Loan Reports and Direct Loan Tools. Also, shortly after -- probably within the next few days, you will actually get an e-mail which will give you a link where you can bring up this webinar again, a recorded version of that, and download the slides again if you haven't done so.

With that, I think we'll just let you fill out the survey and probably we'll be up maybe for another five minutes to allow you to download the slides if you haven't done so.

On behalf of Michelle Saigh, our question manager, and Virginia Hagins, and myself, Craig Rorie, we thank you for joining us today. Have a good day, everyone.